GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:50
ANSWERED ON:18.11.2002
SETTING UP OF AGRO BASED INDUSTRIES
HEMA GAMANG

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether the Government propose to set up agro based industries and also to increase the capacity of industries already set up in the country particularly in Orissa during the current financial year; and

(b) if so, the details thereof?

Answer

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI KARIYA MUNDA)

(a) & (b): The Government through the Khadi and Village Industries Commission (KVIC) is already implementing the Rural Employment Generation Programme(REGP) scheme for the development of Khadi and Village Industries including agro industries throughout the country including the State of Orissa. Under this scheme, the KVIC provides margin money assistance at the rate of 25% of the project cost upto Rs. 10 lakhs and for the project above Rs. 10 lakhs and upto Rs. 25 lakhs,rate of margin money is 25% of Rs. 10 lakhs plus 10% on remaining cost of the project. In the case of SC/ST/ OBC/Women/ Physically Handicapped/Ex-Servicemen and Minority Community beneficiary / institution and for hill border and tribal areas, North Eastern Region, Sikkim, Andaman & Nicobar Island, Lakshadweep, the margin money grant is 30% of the project cost upto Rs. 10 lakhs but above this amount and upto Rs. 25 lakhs it is 30% of 10 lakhs plus 10% of the remaining cost of the project. Under this scheme, the beneficiary`s contribution is at least 10% of the project cost. In case of SC/ST and other weaker sections, beneficiary`s contribution is 5% of the project cost. This scheme is being implemented through Public Sector banks, Regional Rural Banks etc.

In the Orissa State, as on 31.03.2002, 1467 projects under the REGP of the KVIC were financed which resulted in generation of 12744 employment opportunities. Since the Government does not set up any unit of its own, the decision to increase capacity of existing units is taken by the entrepreneurs themselves and not by the Government.